

Georgetown City Council Budget Meeting  
Thursday June 21, 2011  
5:30 pm

The Georgetown City Council Budget Meeting was called to order by Mayor Everette Varney with all members present.

**Human Resources**

Rodney Vinegar Director of Human Resources referred to a benefits presentation sent to council previously. Mr. Vinegar explained that there were three options being offered including a low deductible, medium deductible and the high deductible or Health Savings Plan (HSA) option. There are not many changes in the plans however the specialist co pay has increased \$10.00 in the low deductible plan. Mr. Vinegar highly recommends the HSA for some of the employees of the city who really do not use their benefits but are paying premiums. This program allows the employee to pay into an account that is owned by the employee. This money can be used to pay for medical, dental, vision or prescription expenses. At the end of the policy period any funds left are the employees to keep. Mr. Vinegar believes that the eighteen month plan will give him a better opportunity to educate the employees before enrollment in January.

There will be no increase in Delta Dental and no increases with Humana Vision but dental insurance will be rebid in January. There will be some rate reductions with Cigna life insurance.

Thursday June 23<sup>rd</sup> and Friday June 24<sup>th</sup> Mr. Vinegar will be holding educational sessions. Monday June 27<sup>th</sup> and Tuesday June 28<sup>th</sup> will be open enrollment. All educational sessions and open enrollment will be at fire station number three.

**Municipal order # 11-007 approval of a contract with Humana to provide health insurance benefits for eighteen months.**

**Municipal order # 11-008 approval of a contract with Cigna to provide life, long-term disability, accidental death and dismemberment insurance benefits for eighteen months.**

**Municipal order # 11-009 approval of contract with Delta Dental to provide dental insurance benefits for six months.**

A motion was made by Councilman Prather and seconded by Councilman Penn to approve the three municipal orders pertaining to insurance for employees of the City of Georgetown. **The motion was unanimously approved.**

**Consideration of the Mayors Proposed Budget for Fiscal Year 2012**

Betty Pendergrass Director of Finance asked for council's approval on several budget items in question. The line item for computer hardware and software is actually used for software licensing. Ms. Pendergrass would like approval to add \$45,000.00 to this line.

A motion was made by Councilman Thompson and seconded by councilman Lusby to approve the addition. Councilman McEuen asked for more description of what this money is used for. Scott Kenley IT Specialist explained that the money is not only used for licensing but also for hardware failure and the accounting department's software support. All of these items are below the capital item threshold. **The motion was unanimously approved.**

The Municipal Road Aid Fund has not been discussed during the budget process. Ms. Pendergrass explained that this is a distribution of road tax we receive from the state. The funds are received at the beginning of the fiscal year so that paving can be completed in the fall. \$388,827 will be spent by June 30 2011. The unspent portion of the FY 2011 budget allocation will be moved to the budget for 2012 to complete projects that had been slated for 2011. The budget estimate for FY 2012 leaves \$65,000 in fund balance for contingencies, but authorizes \$727,300 for road projects in FY 2012. A motion was made by Councilman Singer and seconded by Councilman Thompson to approve the proposed allocations for the MAP fund. **The motion was unanimously approved.**

LGEA has not been changed from the Mayor's proposed budget. \$6,500 was budgeted based on the projection for FY 2011. A motion was made by councilman Penn and seconded by councilman McEuen to approve LGEA. **The motion was unanimously approved.**

Drug Forfeitures are awarded from federal drug cases if the city participates. Ms. Pendergrass explained that there is no way to know how much money could be received. All money received must be spent on the police department. Ms. Pendergrass referenced House Bill 413 which states revenues go to general law enforcement, but those funds are state resources. Ms Pendergrass recommends we move the \$35,000 for HB 413 back to the general fund in order to separate the state resources from the federal funds and provide a separate accounting and reporting for the federal dollars. A motion was made by Councilman Prather and seconded by Councilman Singer to move the \$35,000 revenue budget for HB 413 from Drug forfeitures to the general fund. **The motion was unanimously approved.**

Cemetery- Ms. Pendergrass based the \$27,900 transfer to the Perpetual Care Trust Fund on historical data, but state law requires a set percentage of lot sales to be set aside for perpetual care. The remaining funds in this account are operating revenue. Terry Thomas Director of Public Works has recommended lot increases which is why projected revenues are higher. A motion was made by Councilman Lusby and seconded by Councilman Singer to approve the proposed Cemetery budget as presented. **The motion was unanimously approved.**

Grant Fund-The police highway safety grant is a recurring grant and the application for the coming year has already been filed. The Salvation Army CDBG construction bids have not yet been awarded, so those grant funds will not be dispersed before June 30 and will need to be transferred to the 2012 FY budget. This will change the cost of the city's annual audit. The total Grant fund is \$628, 222.00. \$33,300 of this amount is a local

match the remaining is Federal grant money. Councilman Singer asked about the higher cost of the audit. Ms. Pendergrass explained that the Single Audit Act (a federal law) requires recipients to have a different type of audit when they spend more than \$500,000. A single audit includes an assessment of internal controls over grant compliance and the compliance with federal grant requirements. \$500,000 in federal grant funding is the minimum amount of funds for this type of audit. A motion was made by Councilman McEuen and seconded by Councilman Thompson for the approval of the grant fund budget. **The motion was unanimously approved.**

Business Park Fund- There is no revenue projected for the park. The city is paying debt service and some utilities. Councilman Lusby asked if property were sold where the funds would be placed. Ms. Pendergrass said the funds would be put in the Business Park fund and the budget would need to be amended before those funds could be spent. The reason a budget is adopted for the park is due to the City of Georgetown being the responsible party. A motion was made by Councilman Singer and seconded by Councilwoman Tackett to accept the budget for the business park. **The motion was unanimously approved.**

Gus Wolfe Fund- There is \$5,800 in this fund and Ms. Pendergrass is not sure how this money should be spent. There is no documentation of what this money was to be used for. Ms. Pendergrass would like to transfer these funds to General or spend the remainder on the authorized use. Councilman Lusby thought the reserve should be retained and suggested that the original grantor had only given permission to spend interest earnings on the gift. The funds were intended to help stranded travelers who needed emergency assistance. A motion was made by Councilman Lusby to place funds in the general fund in reserve. The motion was seconded by Mr. McEuen. **The motion was unanimously approved.**

Ms. Pendergrass asked the council if they would like to funds in the budget for City Officials training. Council answered no.

### **Revenues**

Councilman Singer referenced information the council had received from Toyota about potential revenues from the occupational license fee. The revenue calculated is based on overtime hours and could possibly generate \$900,000. Councilman Penn expressed concern about a projected twenty percent increase in the license fees to be collected. Ms. Pendergrass stated that the overtime would not begin until October meaning seventy five percent would be the most that could be added to the fiscal year 2012 revenues. Discussion continued about the potential revenues from overtime Saturdays, additional overtime during the week, and transferring temporary work force to full time staff. A motion was made by Councilman Lusby and seconded by Councilwoman Tackett to put the \$900,000.00 in the budget. **A roll call vote was taken with the motion passing 7-1. Councilman Penn voted no.**

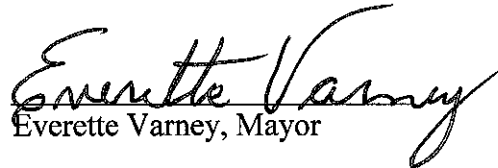
Councilman McEuen asked council to consider an increase in the occupational license fee from 1 percent to 1.2 percent. He stated it would balance the budget and allow the city to

purchase two fire trucks. A motion was made by Councilman McEuen to increase the occupational license fee from 1 percent to 1.2 percent. Councilman Thompson seconded the motion. Councilman Penn requested a two year sunset clause allowing the council to revisit and look at other revenue sources. A roll call vote was taken. The motion failed 5-3.

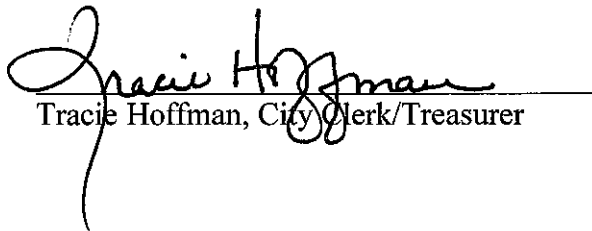
Councilman Lusby asked about using the proceeds from the sale of the landfill to help balance the General Fund. Ms. Pendergrass explained that EPA regulations require municipal landfills to retain a reserve sufficient to provide for postclosure care for 20 to 30 years. The City of Georgetown only has about 6 years of funding for these costs, so she recommends leaving the sale proceeds in the Landfill Fund until sufficient reserves to comply with the EPA rule have been accumulated. A motion was made by Councilwoman Tackett and seconded by Councilman Lusby to use money the city's General Fund reserves to fund the remaining deficit in the General Fund budget. **The motion was unanimously approved.**

**Motion for adjournment, motion unanimously approved.**

APPROVED BY:

  
Everette Varney, Mayor

ATTESTED BY:

  
Tracie Hoffman, City Clerk/Treasurer